

AMENDATORY SECTION:**November 2004, Study Session****WAC 230-20-335 Members-only raffles -- Procedures -- Restrictions.**

Organizations may conduct members-only raffles utilizing simplified procedures. For purposes of this section, "members-only raffle" means a raffle conducted by selling chances only to members of the organization and a limited number of guests, and determining the winners from among those members and guests that have purchased chances. The following procedures and restrictions supplement or modify WAC 230-08-070 and 230-20-325 and apply only to members-only raffles:

Licensed versus unlicensed.

(1) An organization may conduct an unlimited number of unlicensed members-only raffles if the combined gross revenue from the raffles does not exceed five thousand dollars during a calendar year. If the organization plans to exceed the five thousand dollar gross receipts limit, it must obtain a raffle license.

Raffle to begin and end during membership meeting.

(2) In order to conduct raffles utilizing these simplified procedures, all phases of the raffle must be completed during a meeting of the members, and the meeting must be completed on the same day and at the same location without interruption;

Limit on number of guests.

(3) If guests are allowed to participate, the total number of guests, as a percentage of the total attendance of the meeting, shall not exceed twenty-five percent. Records shall be maintained that will allow commission staff to determine compliance with this requirement;

Rules of play.

(4) All disclosures required to be imprinted on a raffle ticket or chance may be provided to participants by posting a sign at each ticket sales point;

Tickets.

(5) Chances to enter a raffle may be included as a part of a package that includes dues, entertainment, or other fund-raising activities if the value of each component of the package is disclosed to the purchaser and the value of each individual raffle chance does not exceed twenty-five dollars: Provided, That initial applications for membership and any fees paid for such shall not include chances to enter raffles or to participate in any gambling activities;

Modified pricing schemes for tickets.

(6) The director may authorize an organization to deviate from the "same price" requirements of **WAC 230-20-325**(1) when the following requirements are met:

License required.

- (a) The organization must have a current raffle license.

Request for approval.

- (b) A request for approval of a modified pricing scheme must be received at the Lacey headquarters office at least thirty days prior to beginning the first raffle for which such approval is requested.

Subsequent pricing schemes.

- (c) After an organization has received approval for a modified pricing scheme, the organization may utilize the identical approved pricing scheme in subsequent raffles, unless approval is rescinded or commission rules change. The following modified pricing schemes may be approved by the director:

Different prices for tickets - one cent to ten dollars.

- (d) Chances to enter a raffle may be sold for different values, ranging from one cent to a maximum of ten dollars, if the following conditions are met:
 - (i) The scheme for assigning the cost of the ticket must be disclosed to the player before selling them a chance to participate. This disclosure shall include the total number of tickets in the population and the number of tickets at each price level;
 - (ii) Participants must be allowed to randomly select their ticket from the population of remaining tickets. Participants pay the amount imprinted upon the ticket they select;
 - (iii) The scheme provides an adequate audit trail that will allow commission staff and taxing authorities to determine gross gambling receipts;
 - (iv) The total gross gambling receipts available from raffles utilizing such schemes are limited to five thousand five dollars for each drawing;
 - (v) No more than two such drawings are conducted during a meeting of the members.

Discount based on number of tickets purchased.

- (e) Chances may be sold for a discounted price that is based on the number of tickets a player purchases if:
 - (i) Participants are allowed to purchase a single ticket;
 - (ii) Only one discount scheme is allowed for each raffle. The amount of the discount must be set prior to beginning sales for the raffle;
 - (iii) The cost of a single ticket, without a discount, does not exceed ~~((two))~~ ten dollars;
 - (iv) The total cost of a discount package does not exceed twenty-five dollars;
 - (v) The cost of a single ticket shall be imprinted on each ticket (i.e., one dollar a piece or twelve for ten dollars; or two dollars a piece or fifteen for twenty dollars); and
 - (vi) The licensee shall establish an audit system that includes controls and procedures that will

allow commission agents and taxing authorities the ability to determine gross gambling receipts from the sale of tickets utilizing discounts. Such system shall be submitted to the director or the director's designee as a part of the approval request;

Other pricing schemes.

(f) Multiple tickets to enter one or more drawings may be sold as a package as long as the total price of the package does not exceed twenty-five dollars; and

(g) Alternative pricing schemes may be used if specifically authorized by the director. Approval will be issued on an individual basis and will require a detailed written request;

Alternative drawing formats.

(7) The director may authorize an organization to determine the winners utilizing an alternative drawing format when the following requirements are met:

License required.

(a) The organization must have a current raffle license.

Request for approval.

(b) A request for approval of an alternative drawing format for a members-only raffle must be received at the Lacey headquarters office at least thirty days prior to beginning the first raffle for which such approval is requested. Requests for approval of alternative drawing formats shall be signed by the organization's raffle manager.

Subsequent alternative drawing formats.

(c) After an organization has received approval for an alternative drawing format, the organization may utilize the identical alternative drawing format in subsequent raffles, unless approval is rescinded or commission rules change.

Incentives for selling tickets.

(8) The limitations on noncash incentive awards for an individual raffle, set forth in **WAC 230-20-325**(11), are modified to allow awards that do not exceed five percent of the combined gross gambling receipts for all raffles conducted during a membership meeting if a record of the name, address, and telephone number is maintained for all persons receiving awards valued in excess of fifty dollars;

Prizes.

(9) Prizes must be owned by the organization conducting the raffle prior to drawing the winning tickets. Raffle prizes must meet the following requirements:

- (a) Firearms shall not be awarded as prizes: Provided, That a raffle licensee may award firearms as prizes under the provisions set forth in WAC 230-12-040;
- (b) Unopened containers of liquor may be awarded as a prize when the proper permit is obtained from the liquor control board;
- (c) Prize limits must meet the requirements set forth in WAC 230-20-015; and
- (d) Prizes shall be controlled as set forth in WAC 230-20-300.

Records.

- (10) Raffle records, as required by WAC 230-08-070, are modified as follows:
 - (a) The threshold value for maintaining a record of the name, address, and telephone number of each winner of a prize is increased to include only prizes valued in excess of fifty dollars;
 - (b) Ticket disbursement records are not required; and
 - (c) Minimum record retention period is reduced to a period that is not less than one year following the date of each individual raffle drawing.